Disinvestments in IFCI

775. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether disinvestment in Industrial Finance Corporation of India (IFCI) is being carried out;

(b) if so, the details thereof including the current status of the exercise;

(c) whether it is a fact that several Board level officials of IFCI resigned during August-September, 2007;

(d) if so, the reasons shown by the respective officials in their resignation letters;

(e) whether any IFCI Board members has been associated with some of the private organizations who are bidding for acquiring stakes in IFCI; and

(f) if so, the nature of their association with such private organizations, indicating potential areas of clash of their interests while they served on the Board/Management of IFCI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) IFCI Ltd. is a public limited company registered under the Companies Act, 1956. Government of India does not have any equity holding in IFCI Ltd. The affairs of IFCI Ltd. are managed by its Board of Directors in accordance with the relevant statutes. As per information received from the IFCI Ltd., it is considering issuing a minimum of 26% of its expanded capital by way of fresh shares on preferential basis to a Strategic Investor, in line with the guidelines provided by SEBI, for which requests for proposals have been invited by IFCI Ltd.

(c) to (f) IFCI Ltd. has informed that during August-September, 2007, two part-time Directors, *viz.*, Shri N Balasubramanian and Shri Vinayak Chatterjee resigned from the Board of IFCI citing potential conflict of interest in the process of selection of the Strategic Investor. Further, IFCI has informed that no Board member has reported any association with any of the private organizations, which has submitted Expression of Interest as a Strategic Investor.

Loans provided by commercial banks to small industries

†776. SHRI SURENDRA LATH: Will the Minister of FINANCE be pleased to state:

(a) the total amount of the loan provided by the commercial banks to small and micro industries during the last three years in the country;

(b) whether Government is considering to provide more relaxation on loan to further promote the small and micro industries;

(c) if so, the details thereof, State-wise; and

(d) the total number of small industries which have been provided these loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The amount of outstanding loans provided by the public sector banks to micro and small enterprises (MSEs) as at the end of March, 2005, 2006 and 2007 were Rs. 58,311 crore, Rs. 82,434 crore and 1,04,703 crore, respectively.

(b) and (c) The Policy of the Government is an evolving policy and will be fine-tuned as and when required.

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†Original notice of the question was received in Hindi.